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Development (1952—) Department.

MS SERIES.

G.O. NO. 3269

Dated 30-7-1952

FOR MYSORE STATE

[Despatch Abstract.]

Acts and Rules - State Aid to Industries Act - Application from Sri Wali Gurusanthappa, Proprietor Wali Cement Tile Works, Bellary Loan of Rs. 1,500/- sanctioned

DEPARTMENT OF INDUSTRIES & COMMERCE

From
The Director of Industries & Commerce,
MADRAS.6.

To
The Secretary to Government,
Development Department,
Fort St. George, MADRAS.

Sir,

73263
2.7.52

No. SA.553/52, Dated 28th June, 1952.

Sub: State Aid to Industries - Wali Cement Tile Works, Bellary - Application for a loan of Rs 10,000/-

Sri.Wali Gurusanthappa, Proprietor, Wali Cement Tile Works, Brucepet, Bellary has applied under the provisions of the Madras State Aid to Industries Act for a loan of Rs. 10,000/- for use as working capital for the production of cement flooring tiles.

pp5-6 below
p.3 below

A copy of the application together with a copy of the note prepared thereon for the guidance of the Board of Industries is enclosed.

Below

The application was placed before the Board of Industries at its 63rd meeting held at Madras on 20-6-52. An extract of the proceedings of the meeting is also enclosed.

Orders of Government are requested on the application.

K.Rajamanickam
1.7.52
for Director of Industries & Commerce.

LMS/30/6/-

63rd MEETING OF THE BOARD OF INDUSTRIES AT MADRAS ON 20-6-52 - EXTRACT OF PROCEEDINGS.

Application from Sri Wali Gurusanthappa, Proprietor, Wali Cement Tile Works, Brucepet, Bellary Dt. for a loan of Rs. 10,000 repayable in ten annual instalments for use as working capital for the production of cement flooring tiles in the applicant's factory.

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The applicant who was present was interviewed by the Board of Industries. He stated that the machinery installed in his factory was purchased second-hand. He was informed that the maximum loan amount which could be granted to him was ~~Rsxxiyx~~ Rs. 1,500/- and on his agreeing that he would be able to manage with this amount, the Board of Industries resolved to recommend the grant of a loan of Rs 1,500/- repayable in ten annual instalments to the applicant for use as working capital for the production of cement flooring tiles.

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N NOTE FOR THE BOARD OF INDUSTRIES.

Application from Wali Cement Tile Works, Bellary for a loan of Rs. 10,000/-

Sri. Wali Gurusanthappa, Proprietor, Wali Cement Tile Works, Brucepet, Bellary District, has applied for a loan of Rs. 10,000/- repayable in ten annual instalments under the provisions of the Madras State Aid to Industries Act. The loan amount is intended for use as working capital for the production of cement tiles in the applicants' factory. A copy of the application is enclosed.

2. The applicant is reported to be running a small cement tile factory at Bellary. The Development Commissioner, Rayalaseema Development Board, has stated that though the manufacture of cement tiles is not a new or nascent industry in this State, this being the only concern in Rayalaseema which is manufacturing cement tiles on a cottage industry basis, deserves special support and encouragement.

3. The security offered by the applicant consists of the machinery and equipment for manufacture of tiles installed in his factory, the value of which has been claimed by the applicant to be Rs. 10,425/- the raw materials and finished products of the factory claimed to be of value Rs. 9,600/- and gold jewellery of value Rs. 3,000/- The only item which can be considered to be suitable security is the tile manufacturing machinery and equipment. The Tahsildar, Bellary, has valued this item at Rs. 3,000/- The Assistant Director of Industries and Commerce's report is awaited.

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4. The views of the Board of Industries are requested on the application.

Workup sheet.

1,500 — 10 years.

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FORM OF APPLICATION FOR AID UNDER THE STATE AID TO INDUSTRIES ACT 1922.
(Madras Act No. V of 1923)

(For instructions for filling up the form vide appendix)

1) Name of applicant and his full address: Walli Gurusanthappa, Proprietor, Walli Cement Tile Works, Bellary.

2) Nature of the industrial concern for which aid is sought: for manufacturing cement flooring tiles 8" x 8" Plain and colour.

3) The administrative, technical and executive staff existing or to be appointed with qualifications: I myself manufacture the tiles with the help of the labourers.

4) The facilities available for the development of the industry: I used to have cement supply on quota system from the Government for manufacturing the tiles.

5) The nature of the processes to be employed: with the help of a Pressing machine.

6) Details of plant and machinery installed or proposed to be installed at the works: A pressing machine of German make (Knuu Lever press No.10) has been installed at the works.

7) The total estimated cost of the undertaking and the probable time that will be occupied in its execution. (Details of recurring nd non-recurring expenditure should be furnished separately) A German Pressing machine for manufacturing cement tiles has been purchased with all its equipments for a sum of Rs. 1,0000/- and installed.

8) Approximate number of operatives employed or to be employed: 10 to 14 labourers including male and female are employed.

9) Estimated net expenditure per annum in running the works: Now the annual expenditure is about R. 5,000/- for running the factory.

10) Est m ted net profits accruing: The estimated net profits for a year is about Rs. 2,000/-

11) Reasons why the business cannot be fina ced without State assistance: since the manufacturing of the tiles has to be made in large scale State assistance isessential.

12) Nature and extent of State aid applied for. (The particular clause of section 6 under which the aid is applied for should be stated) The amount required to the extent or of Rs. 10,000/ for running the factory regularly.

13) SECURITY OFFERED--

(a) If land, I do not possess any land.

(i) Survey number
(ii) Extent Nil
(iii) Assessment , Nil
(iv) In whose name registered: NIL

(b) Nature and description of other security, if any, offered: I possess cash properties such as cash and gold and wooden materials for building construction to the extent of Rs.6,000/-

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14. Nature and extent of the applicant's right in the concern whether as co-sharer or proprietor or otherwise and his financial resources: — Own.

15. Nature and extent of the applicant's right to the property offered as security. — Nil

16. Nature and extent of encumbrances on the immovable property offered as security primary or collateral — No;

17. Whether any arrears are due on the immovable property offered as security--primary or collateral and, if so, the nature and extent of such arrears: — No immoveble properties and no arrear of taxes etc., to be paid.

18. Period within which and the number of instalments in which the applicant proposes to repay the loan: — A period of 10 years is required to repay the loan in 10 annual instalments.

19. Approximate additional net income expected to be earned as a result of the proposed expenditure: — A sum of Rs.5,000/- is expected as profits if a sum of Rs.1,000/- is given to me as loan.

20. If the application is from a joint stock company, the amount of capital actually subscribed and paid up and the number of shares held by each of the directors and their salary and fees and other perquisites should be stated: — It is not a company or firm but it is as ownership.

21. Note: The application should also be accompanied by a copy of the prospectus and memorandum and articles of association with a list containing the names and descriptions of the Directors.

21. Any Other Remarks — No remarks.

(Dev. (DII) Dept.

ACTS AND RULES -State Aid to Industries Act - Application from Sri Wali Gurusanthappa, Proprietor, Wali Cement Tile Works, Bellary - Loan of Rs.1,500/- Sanctioned.

Read: From the D.I. & C. No. SA.553/52 dated 28-6-52

G.O.Ms.No. 3269 dated 20.12.52

The Governor of Madras sanctions, subject to the conditions specified below, the grant of a loan of Rs.1,500/- to Sri Wali Gurusanthappa, Proprietor, Wali Cement Tile Works, Bellary.

2. The conditions for the grant of the loan are:

(a) Sri Wali Gurusanthappa, Proprietor, Wali Cement Tile Works, Bellary, shall execute a mortgage deed hypothecating to the Government as security for the due repayment of the loan with interest the tile manufacturing machinery and equipment.

(b) The Proprietor shall insure the machinery and equipment offered as security against loss or damage by fire and assign the policy in favour of the Governor of Madras before the disbursement of the loan.

(c) The entire proceeds of the loan shall be utilised for working capital for the production of cement flooring tiles.

(d) If it shall be proved to the satisfaction of the Government that the loan sanctioned has not been fully applied for the purpose for which it is sanctioned, the balance of the loan or such portion of it as the Government may determine, with interest and costs, if any, shall be recovered, as provided for in Section 18 of the State Aid to Industries Act, 1922 (Madras Act V of 1923).

(e) The loan will bear interest at 5½% per annum and shall be repaid in ten annual instalments of Rs. 199 (Rupees one hundred and ninety nine only)

p.t.o.

each, the first instalment being repaid on 1-11-1953 and the subsequent instalments on the 1st November of every following year until the loan with interest has been repaid. For the period in excess of 12 months intervening between the date of disbursement of the loan and 1st November 1953, simple interest on the whole amount shall be paid with the first annual instalment.

(f) On every instalment of the loan which is not paid on the due date, penal interest at the rate of 7½% shall be levied from that date upto the date of its repayment.

(g) The annual instalment of loan shall be paid at the nearest Government Treasury to the credit of the Govt. and

(h) The Proprietor shall abide by all the provisions of the State Aid to Industries Act, 1922 (Madras Act V of 1923) and the rules framed thereunder.

2. The mortgage deed referred to in paragraph 2 above shall be executed before the disbursement of the loan.

3. The expenditure on account of the disbursement of the loan shall be debited to "Loans and Advances bearing interest - Advances under Special Laws (State Aid to Industries Act) - Advances made by the D.I. & C."

To the D.I. & C.
Sri Wali Gurusantappa,
Proprietor, Wali
Cement Tile
Works, Brucepet,
Bellary.
the A.G. thro' the
Fin. Dept.

S.F. s/c 1.

Wali Cement Tile Works,

ವಾಲಿ ಕಮಾಂಟ್ ಟೈಲ್ ವರ್ಕ್ಸ್, ಬಳ್ಳಾರಿ

BRUCEPET, BELLARY.

SECRETARY TO GOVERNMENT
20 AUG 1952
DEVELOPMENT DEPARTMENT

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94926

20.8.52

8-8- 1952.

To

The Joint Secretary to Government,
Development Department,
Government of Madras, Madras.

Sir,

fb 1 ~~of~~ (A) G.O.Ms.No.3269 dated 20-7-52 - Grant of loan of Rs.1500-0-0 - sanction of - to me -

In this connection, I beg to state that I am in due receipt of the abstract in this connection for which I am grateful. In that I am given to understand that the Governor of Madras sanctions the grant of a loan of Rs.1500/- to me subject to certain conditions.

As I am new to this kind of hypothecation, I request you to kindly make necessary arrangements to send me the required draft agreement forms and mortgage deed ~~xxx~~ draft and all the other written records you require in this connection, so that I can accordingly get fair copies of the same duly filling up required ~~xxxxxxxx~~ portions myself and execute the same. I am prepared to pay the required drafting charges etc., in this connection, on intimation from you.

Kindly, therefore, do the needful in the matter soon, so as to facilitate me to have the said loan at an early date.

Thanking you in anticipation,

Yours faithfully,

W Gurusan Thappa

Proprietor.

(All kinds of Coloured Cement Flooring Tiles always kept in large stock)

146/9578

Dev (DII) Dept

Memo No. 949.26 DII/52-1 dt/ 22-8-1952

Sub: State Aid to Industries — Wali Cement Tile Works, Bellary — Loan of Rs. 15,500/- sanctioned — Regarding.

Ref: From M/s Wali Cement Tile Works, Bellary letter dated 14-8-1952.

A copy of the letter cited is forwarded to the DI&SC, Madras for necessary action.

To the DI&SC (with a copy of p.l.cf)

Copy to the Proprietor, Wali Cement Tile Works, Brucepet, Bellary

Dev. (D II) Dept.

State Aid to Industries - Wali Cement Tile Works, Bellary - Application for a loan of Rs. 10,000/-.

C.No. 73263 D II/52 - p. 1 cf From the D.I. & C. No. S.A. 553/52 d/28.6.52.

U.S.

Sri Wali Gurusanthappa, proprietor, Wali Cement Tile Works, Bellary has applied for a loan of Rs. 10,000/- under the State Aid to Industries Act for use as working capital for the production of cement flooring tiles. The Development Commissioner, Rayalaseema Development Board, who was consulted by the D.I. & C. has stated that though the manufacture of cement tiles is not a new or nascent industry in this State, this being the only concern in Rayalaseema which is manufacturing cement tiles on a cottage industry basis, deserves special support and encouragement. It is reported that the only item which can be considered to be suitable security is the tile manufacturing machinery and equipment, the value of which has been estimated at Rs. 3,000/-. The application was considered by the Board of Industries at its meeting held on 20-6-1952 and the Board has recommended the grant of a loan of Rs. 1,500/-, the maximum loan that can be granted on the security of the machinery on the assurance of the applicant that it would be possible for him to repay the loan in ten annual instalments. The loan amount is to be utilised for use as working capital for the production of cement flooring tiles. In the circumstances,

p.t.o.

V/ CA 732/633/II/52

it is for orders whether the recommendation of the Board of Industries mentioned at 'A' on p.1 above may be accepted: subject to orders, a draft order is submitted below for approval. A

Finance may see for acceptance before circulation

Asst 5.7.52 Sec 8/7/52

Fin

Fin (RA)

The note of Asst on pp 1-2 above may be perused. The following remarks are ~~the draft order below may be accepted~~

Called for:

(1) The value of the assets of the ~~Company~~ concern which may be taken as security is reported to be Rs 3,000. Under Sec. 9 of the State Aid to Industries Act, the amount of loan should not exceed 50% of the net value of the assets of the concern. In practice, in view of the inflated value of materials, the loans are restricted to say about 1/3 of the value of the assets, and in ~~practice~~ special cases only, the loans up to 50% are granted. In the circumstances, it is for consideration whether the loan of Rs 1500 equal to 50% of the value of security may be agreed to

M p3cf (not forthcg)

By way of a recall from the wrong agency B

(2): The rate of interest on loans under the Act has been fixed Z

Secy U.O. 732/633/II/52 8.7.52

ADDITIONAL DEPUTY SECRETARY TO GOVERNMENT
50 715
5 - JUL 1952
FINANCE DEPARTMENT

26/24.7

73263

(to mark Z)

at 5½% p.a. for 1952-53 against 5% p.a. till 1951-52. The draft may be amended as indicated in pencil.

16/14.7.52

16.7.52

17/17.7.52

Dev.

Dev.(DII)Dept.

Memo. and 50 715 dt. 17.7.52 ✓ 17.7.52

31829 DII/52 19.7.52

UNDER SECRETARY TO GOVT. 19 JUL 1952 DEVELOPMENT DEPARTMENT

Summary.

'A' on p 1 c/s

The file deals with the recommendation of the Board of Industries that a loan of Rs.1,500/- may be granted to Sri Wali Gurusanthappa, Proprietor, Wali Cement Tile Works, Bellary under the provisions of the State Aid to Industries Act. The applicant concern is engaged in the manufacture of cement flooring tiles. This Dept. propose to accept the recommendation of the Board of Industries. Finance have agreed to the proposal. As the rate of interest on loans under the State Aid to Industries Act has since been fixed at 5½% per annum for 1952-53 against 5% per annum till 1951-52, it is proposed to charge 5½% interest on the loan.

'M' on p.5 c/s

'A' on p 2 above

'B' on p 2 above

'Z' on pp 2-3 above

2. The file may be circulated to M(I&L) for orders of issue of the draft Order below, as amended by Finance.

✓ in pencil on p 1 of the draft order.

Revised 19.7.52 No. 21/7/52

Rejoinder on Note dt. 23.7.52

M.D.S. 23.7.52

U.Krishna Rao 28/7/52

M (9.8.52)

SECRETARY TO GOVERNMENT 29 JUL 1952 DEVELOPMENT DEPARTMENT

DEPUTY SECRETARY TO GOVT. 29 JUL 1952 DEVELOPMENT DEPARTMENT

Issued as G.O.Ms 3269, Dev. d/ 30.7.52.